Assignment 5

Due: Mon 2009-09-08, 23:59 GMT

1. What does the following statement mean?

A. It states that the assignment has been completed.
B. It states that the assignment has been submitted.
C. It is an error in the assignment.
D. It is a reminder to submit the assignment.

2. For the problems of independent demand systems with demand known with a certain parameter value, the expected demand for a certain product is:

A. Predictive quantity
B. Predictive error
C. Consumption or demand cost
D. Difference between predictive and demand rates.

3. The classical EOQ formula is said to be for an inventory system where:

A. The purchase price is the same for all purchases.
B. The system is perfectly balanced.
C. The shortage cost is the same for all shortages.
D. All of the above.

4. Landlord's record system is applicable to inventory due to the:

A. Short-term high-impact reasons.
B. Short-term low-impact reasons.
C. Long-term low-impact reasons.
D. Long-term high-impact reasons.

5. The maximum inventory in an EOQ model for an inventory time is a function of:

a) Predictive quantity
b) Predictive error
c) Consumption or demand cost
d) Difference between predictive and demand rates.

6. Using the economic order quantity (EOQ) equation, the cost ratio is:

A. $9.32$;
B. $9.23$;
C. $9.29$;
D. $9.39$.

7. The company uses an annual utilization of 500 units of the item, each costing $10. Each order costs $2 and the carrying cost is $8 per year. The ordering cost is $5. The EOQ equation is:

A. 500 units
B. 125 units
C. 250 units
D. 100 units.

8. A company needs a minimum of 500 units of the item each month, costing $20 each. Each order costs $2 and the carrying cost is 30% of the total annual inventory value. The company orders 200 units at a time, the price per unit is $20, and the total cost is $400. The EOQ model indicates that an order of:

A. 500 units
B. 200 units
C. 100 units
D. 50 units.